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one opportunity at a time.

March 5, 2015

Sen. Gomes, Rep. Tercyak, and Members of the Joint Committee on Labor and Public Employees,

I write to express my concern with H.B. 6791 – *AN ACT CONCERNING WORKERS' WAGES AT LARGE CORPORATIONS*. This bill targets franchisors, forcing them to pay taxes on the employees of independent franchisees as part of a significant tax surcharge on wages. This change would harm businesses in a wide array of industry categories, from hotels to home health care.

Franchisees are not the employees of franchisors. Although franchisors act to set standard operating procedures, and can provide other services, ultimately it is the owner of the individual franchise location who is responsible for hiring and wage decisions at his or her location. This mutually beneficial relationship, two independent businesses working together to preserve a franchise brand, is at the core of the franchise business model. It is inappropriate and unusual to force one business to pay taxes on another, completely independent, business' employees.

There are nearly 8,000 franchised establishments in Connecticut, which collectively employ over 100,000 people. If this unfair and unorthodox law is implemented, it could discourage future investment from franchisors outside the state and even put existing Connecticut franchisors at risk. Such a move would harm businesses, their employees, and the people who depend on franchise establishments every day for essential goods and services.

For these reasons, I respectfully urge you to vote against H.B. 6791. Please feel free to contact me if you have any questions about this bill, or if I can be of assistance in any other matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Dean Heyl", written in a cursive style.

Dean Heyl
Vice President, State Government Relations
International Franchise Association